

U.S. TREASURY DEPARTMENT
Internal Revenue Service
Washington 25, D. C.

Alcohol and Tobacco Tax Division
Industry Circular No. 56-20

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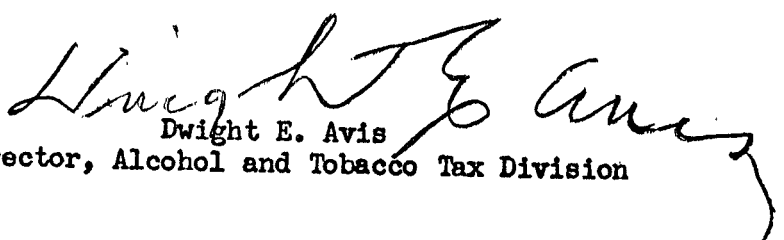
Claims for Refund of Taxes

Distillers, warehousemen, and
others concerned:

1. In recent months a number of claims for refund of taxes imposed on distilled spirits, wines, and beer have been filed with the Internal Revenue Service, which claims are based on the alleged unconstitutionality of the applicable taxing provisions of the Internal Revenue Code. The claims attack the increased taxes and floor stocks taxes imposed on distilled spirits, wines, and beer under the Revenue Act of 1951, and in some cases allege that the 8-year bonding limitation on distilled spirits is invalid. One distiller has indicated an intention to institute suit to test the constitutionality of such taxing statutes.

2. Section 6532, Internal Revenue Code of 1954, and section 3772, Internal Revenue Code of 1939, provide in part that no suit for the recovery of any internal revenue tax shall be commenced after the expiration of two years from the date of mailing by registered mail to the taxpayer of a notice of the disallowance of the part of the claim to which the suit relates.

3. Since constitutional issues have been raised in the claims filed, the Internal Revenue Service does not propose to take any administrative action with respect to the claims prior to the settlement of such constitutional issues by a final judicial determination. Unless and until notices of disallowance are sent to the claimants by registered mail, the statutes of limitations set forth above will not commence to run against suits on such claims.


Dwight E. Avis
Director, Alcohol and Tobacco Tax Division

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